



CITY COUNCIL

CITY AND COUNTY OF HONOLULU

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COUNCILMEMBER DJOU - CITY BUDGET IS TOO BIG

This afternoon, Mayor Mufi Hannemann is expected to sign the largest budget in the history of the City and County of Honolulu. Councilmember Charles K. Djou (Waikiki, East Honolulu) is concerned about the impact that the budget and tax increases will have on Hawaii's already-struggling families.

Councilmember Djou stated, "I compliment Mayor Hannemann and his staff for a more open management style that made crafting this year's budget smoother than previous years. Nevertheless, this budget is too big. Pay raises for both the public worker unions and elected officials were the biggest drivers of the spending increase. These raises were largely financed through increased taxes, including a 50% hike in the vehicle tax. The government cannot treat the people as an endless cash machine and we should not continue to finance budgets that increase government spending at a rate six times the rate of inflation."

At over \$1.7 billion, the new City budget increases government spending by 12%, a rate almost six times that of inflation. The new City budget includes increased real property taxes through higher valuations, a 50% increase in the vehicle tax, and doubles sewer fees over the next 10 years. Councilmember Djou was the only member of the Honolulu City Council to vote against both the budget and the tax increases.

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